

This is a commonsense initiative that would allow the Federal Government to track fraudulent contractors and grantees and stop them from moving from agency to agency if they are debarred.

The bill was introduced by Representative MALONEY, and it is modeled on legislation that she passed for the city of New York when she was a city council member. That law has been very effective for the city.

The ranking member of the Oversight Committee, Representative TOM DAVIS, raised a number of concerns with the bill as originally drafted, and we worked with Representative DAVIS and his staff to try to address these concerns, and I thank him for his willingness to work with us on this matter.

We have also made changes reflected in the bill before us today to address concerns raised by other committees with certain provisions in the bill. As I understand it, some letters have been sent out in opposition to the bill without knowing that those changes have been made to address the concerns that were raised. The result that we have before us today is a measure that enjoys bipartisan support. I urge Members to support H.R. 3033, as amended.

Mr. DAVIS of Virginia. Let me just say again to Chairman WAXMAN and to the gentlelady from New York, we appreciate you working with us. We have a bill now that enhances the system, and we have met the objections of some of the groups like the U.S. Chamber and that had been raised on our side of the aisle. I appreciate it, and urge its adoption.

Mr. THOMPSON of Mississippi. Mr. Speaker, I rise today in support of H.R. 3033, the "Contractors and Federal Spending Accountability Act of 2008." H.R. 3033 mandates the establishment of a database that includes detailed information on civil, criminal, and administrative proceedings concluded against contractors and grant recipients by State and Federal governments; a listing, by contractor or grant recipient, of all contracts or grants that were terminated; any suspensions or debarments, or any agreement to resolve a suspension or debarment; any findings that the contractor or recipient is not a "responsible" source for Federal contracts.

As the great justice Louis Brandeis famously wrote, "sunlight is said to be the best of disinfectants." H.R. 3033 will shed some sunlight on the contracting world.

This database will have myriad uses. Governments at all levels can turn to it when considering whether to award a contract or grant. Citizens can look to see how their tax dollars are being spent—and what steps are being taken to prevent waste, fraud, and abuse. Job seekers can look up prospective employers to find out what kind of company they might work for. Companies can do a little due diligence about prospective customers or vendors. In this information age, there is simply no reason information such as this should not be available to all of us.

My committee oversees the Department of Homeland Security. It is still young, as are many of its contracting professionals. But even the "old pros" of the Department are new to

homeland security contracting—because homeland security contracting itself is new. A database like this—that allows these officials to quickly examine the history of prospective contractors—might have helped the Department avoid some of the contracting fiascos that have plagued it to date. I am hopeful it will help the Department pick the best contractors in the future.

I encourage all of my colleagues to support this important legislation.

Mr. DAVIS of Virginia. Mr. Speaker, I yield back the balance of my time.

Mr. TOWNS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SERRANO). The question is on the motion offered by the gentleman from New York (Mr. TOWNS) that the House suspend the rules and pass the bill, H.R. 3033, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CLOSE THE CONTRACTOR FRAUD LOOPHOLE ACT

Mr. TOWNS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5712) to require disclosure by Federal contractors of certain violations relating to the award or performance of Federal contracts, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5712

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Close the Contractor Fraud Loophole Act".

SEC. 2. REVISION OF THE FEDERAL ACQUISITION REGULATION.

The Federal Acquisition Regulation shall be amended within 180 days after the date of the enactment of this Act pursuant to FAR Case 2007-006 (as published at 72 Fed Reg. 64019, November 14, 2007) or any follow-on FAR case to include provisions that require timely notification by Federal contractors of violations of Federal criminal law or overpayments in connection with the award or performance of covered contracts or subcontracts, including those performed outside the United States and those for commercial items.

SEC. 3. DEFINITION.

In this Act, the term "covered contract" means any contract in an amount greater than \$5,000,000 and more than 120 days in duration.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. TOWNS) and the gentleman from Virginia (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from New York.

GENERAL LEAVE

Mr. TOWNS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TOWNS. Mr. Speaker, I yield myself such time as I may consume.

H.R. 5712, the Close the Contractor Fraud Loophole Act, is a commonsense solution to a problem that we never should have had in the first place. When the administration wrote a new rule requiring Federal contractors to report fraud and over billing on government contracts, for some reason contracts performed overseas and commercial item contracts were exempted from that requirement.

That didn't make sense to my colleague on the Subcommittee on Government Management, Congressman WELCH, because so much contract fraud and waste has been seen on contracts in Iraq and Afghanistan. He introduced this bill which will close these loopholes, and I salute him for that.

The Justice Department believes the new rule is necessary because few government contractors voluntarily disclose suspected instances of fraud. But the exemptions in the rule as written would leave out contractors like those in Iraq and Afghanistan, where we have spent billions on reconstruction contracts over the past 5 years. Over that period, the Justice Department has uncovered at least \$14 million in contract bribes in those two countries alone. Contractors must be held to the same standards no matter where they perform their work.

Since Congressman WELCH brought attention to this loophole, introduced this bill, and called for the hearing our subcommittee held last week, the administration has said it is leaning toward including overseas and commercial item contracts in the final fraud reporting rule. I am happy to hear that, but we cannot get them to guarantee that these loopholes would be closed. That is why Mr. WELCH's bill is necessary, to make sure that loopholes are closed for good. Another way to put it, this legislation will help them deal with a problem that should not have occurred.

I want to thank Congressman WELCH for bringing this problem to the attention of the subcommittee. I would also like to thank the chairman of our full committee, Congressman WAXMAN, and also thank the ranking member of the full committee, Congressman DAVIS. And I would like to thank the ranking member of the subcommittee, Congressman BILBRAY, for helping us bring this bill to the floor.

Mr. Speaker, at a time when our national security is of paramount concern, criminals who cheat the government must be identified, stopped and punished. H.R. 5712 will help make sure that taxpayer dollars are used for their intended purpose, and not to line the pockets of corrupt individuals or companies. So I urge my colleagues to support this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Virginia. Mr. Speaker, I reserve the balance of my time.